

## TRAC Meeting: Small Business Subcommittee

February 17, 2009

### Member Attendees

Last	First	Company
Berg	Sandra	ARB Board Member
Cox	Charlie	Velocity Vehicle Group
DaSilva	Tom	Lee's Concrete Materials
De Carbonel	Hank	Concrete Pumpers Association
Garcia	Lalo	Sopp Ford Truck Center
Garcia	Mike	Pacific Aggregates
Grote	Lisa	Becarbcompliant
Hobbs	Tony	Baker Trucking
Hogo	Henry	South Coast Air Quality Management District
Kringer	Leanne	Independent Owner/operator
Lee	Richard	Consultant
Leff	Michael	Valley Power Systems
Lujan	Steven	Cascade Sierra Solutions
Macartney	Jeff	Crossroad Equipment & Finance
Nevarez	Ernesto	Tax Preparer and Bookkeeper
Plowman	Betty	California Dump Truck Owners Association
Quetin	Kathleen	Quetin Consulting
Rasmussen	Chris	Emissions Compliance Consultant
Sartell	Daniel	Button Transportation
Sauer	Eric	California Trucking Association
Weitekamp	Stephen	California Moving and Storage Association

### Discussion Items

- Introductions and subcommittee logistics
- Overview of ARB's outreach efforts
- Overview of incentive funding programs
- Priorities and next steps

### Introductions and Subcommittee Logistics

- ARB Board member Sandra Berg started the first meeting of the Small Business subcommittee with a process to understand the subcommittee members' expectations and goals for the subcommittee, to understand the critical issues facing small business, and to determine the scope or "definition" of small business to be used by the subcommittee. A lively discussion followed revealing many issues and concerns from each of the subcommittee members.
- The subcommittee members discussed the goals of the committee. The goals discussed included assisting in developing clear and concise information, help ARB gather information to better understand the end user, and assist in developing ways to best communicate to a small business on financial assistance opportunities.

- Key issues affecting small business focused the lack of understanding the regulation requirements, how to pay for the requirements, how to comply, and the accessibility of information (ARB assistance services only available Monday through Friday from 9 am to 5 pm.) The subcommittee wants ARB to focus on how to better understand the end user, to ensure that materials communicating about the regulation have a clear and concise message, to provide communication in multiple languages, to streamline information on how to comply and the cost of compliance, and to better understand the regulatory oversight and operational differences between a truck used by a company and a truck in the vocational “trucking business.” Also, the subcommittee wanted ARB to streamline the grant application process and to ensure that enforcement is consistent and coordinated.
- A variety of “small business” definitions used by the federal Small Business Administration, California Capital Access, and others, along with committee member ideas of what a small business should be, was discussed. The definition of small business will be further discussed at the next meeting. This definition will be used to define the scope of the work for the committee, not the regulation.

#### **Overview of ARB’s Outreach Efforts**

- ARB staff provided an update on some of ARB’s outreach activities. ARB staff discussed the individual tool used to communicate information and the type of assistance programs available to help affected stakeholder understand the regulations. The compliance assistance tools available to obtain information on the Truck and Bus regulation include the diesel hotline, 1-866-6DIESEL, ARB’s TruckStop website, e-mail list serves, direct mail postcards, and informational brochures and fliers distributed to independent operators, dealerships and repair facilities, truck stops, CHP weigh stations and through other ARB enforcement activities. ARB’s outreach has been focused on those fleets who will need to report in 2010. This includes fleets with two-engine sweepers with Tier 0 engines, fleets who wish to take advantage of the agricultural provisions, and fleets with 21 or more trailers who wish to take advantage of the Large Fleet Optional Compliance plan for the Heavy Duty Vehicle Greenhouse Gas regulation. More than 24 Implementation/Reporting Seminars have been scheduled throughout the state to give an update and overview of the Truck and Bus and Greenhouse Gas Emission Reduction Regulation and how to use the ARB on-line reporting system starting at the end of February.
- Subcommittee members discussed the availability and information provided on the diesel hotline. The subcommittee commented that because of small business’ workload, the hotline needs to be available on weekends and evenings. The information provided must be complete and accurate. Concerns were discussed about lag times and hotline information accuracy. Kathleen Mead, manager over the diesel hotline, stated that there are multiple hotlines at ARB. The 1-866-6DIESEL hotline can provide information ARB’s regulatory requirements for on and off road heavy duty diesel vehicles, the heavy duty

vehicle greenhouse gas regulation, and on financial opportunity available for purchasing new vehicles and control equipment to control diesel emissions or greenhouse gas emissions. Regulations affecting drayage trucks (trucks operating in ports or intermodal rail yards) and transport refrigeration units have separate hotlines. Callers calling 1-866-6DIESEL often are able to get answers to most basic questions for these regulations. If they have more advanced questions on these regulations, they will be directed to the appropriate web information and ARB staff. If there is misinformation or inaccurate information provided by the 1-866-6DIESEL hotline staff, please call Kathleen at (916) 324-9550.

- The “TRUCKStop” website ([www.arb.ca.gov/truckstop](http://www.arb.ca.gov/truckstop)) provides a portal to ARB’s programs that affect on-road trucks. From the website, fleets can identify what regulation may apply to their truck and what funding may be available to assist in purchasing emission control equipment or a newer cleaner vehicle. A member commented that the number of hits this site is getting is very low with respect to association site. ARB needs to look at establishing links to other sites used by fleets, including motor carrier sites.
- Subcommittee members discussed the importance of getting information to end users in a clear and simplified way and making information more accessible. One member suggested providing a link to the TruckStop website from industry association and business websites. Another member suggested identifying the market and using that market as a first line of advertising for the truck rule. Further discussion included using the CHP BIT database and accessing the DOT Safersys website to utilize motor carrier information.
- Subcommittee members suggested backing off of fines because of the inconsistent outreach message. Tony Brasil, Branch Chief, responded that we still have time to determine how to make the message clear and help people understand regulation requirements before we back off on enforcement. We must keep an even playing field.

### **Overview of Incentive Funding Programs**

- ARB incentive funding staff provided an overview of the financial incentive programs available to help truck and bus owners upgrade their fleet. Staff stated that eligibility criteria and funding amounts change when new regulatory requirements are adopted. In March 2010, the staff will be presenting to the Board new guidelines for the use of incentive funds. Proposed changes include changes to existing funding programs including Goods Movement Program, Carl Moyer Program and the PLACE Loan Guarantee Program.
- Subcommittee members discussed the difficulties small fleets have in meeting criteria to receive funding. Small business fleets that are not able to meet the mileage limits or cost effectiveness criteria. The fleet size limitation limits smaller fleets of 5 or 6 vehicles, where a larger corporation who contract out to independent operator can access funding.

- Subcommittee members expressed that larger fleets who understand the process obtain access to the funding easier. The process needs to be streamlined or possibly centralized, and better communicated to small fleet owners.
- TRAC member asked, why it isn't called compliance funding rather than incentive funding. Boardmember Berg explained that the Federal Government sets standards and ARB devises plans to reduce emissions. Originally incentive funding meant the emissions would be reduced before fleet owners were required to by regulation. How do we deal with industry hurt by the economy? This and other issues will be discussed in further detail at the Incentive Programs Advisory Group meeting to be held on March 10<sup>th</sup> at the ARB's El Monte offices.

### **Priorities and Next Steps**

The subcommittee identified the following goals and objectives to be discussed over the next several meetings:

- Understand the End User:
  - a. Review the definition of small business in the context of the group of business the Small Business subcommittee is focusing their efforts.
  - b. Presentation by subcommittee members on the trucking structure including a business model of owner/operator versus fleet operator and a business model of the fleet operator in a non-transportation business.
- Clear and Concise Communications:
  - a. Review regulation message being communicated.
  - b. Review ARB's methods of communication versus end user habits of receiving information to increase effectiveness in reaching small business.
- Incentive Funding for Small Business:
  - a. Review guideline changes made by the Board to understand how those guideline changes will help small business.
  - b. Review progress by incentive staff to understand the small business issues and outreach being developed to encourage more incentive funding for small business. In this case, small business is defined by the regulation as incentive funding must be surplus to the regulation.
  - c. Review what incentive funding opportunity changes maybe coming as the result of potential regulation changes.